When Manufacturing Matters: A Review of the (regional and local) State Economic Policies for a Gauteng Global City Region (2006-2011)

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Abstract

The 'global city' (and the related concept of global city-regions) is presently hegemonic in South Africa's urban reconstruction discourse. It has come to constitute, especially for cities like Johannesburg and its urban region of Gauteng, a prototypical image of city-ness; the ultimate barometer for advanced development. This is so even as its origins can be traced to a small sample of cities in the North (most prominently New York, and London), and its applicability to, relevance or usefulness for cities in developing countries has been questioned. City Development Strategies anchored on this discourse, and their related economic policies, promote an economic development trajectory in which finance and services are the main drivers.

This research adopts the Kaldorian proposition that manufacturing is the sector better positioned to drive economic growth and development. It argues that developing countries, and their cities and urban regions, are riddled with the catch-up problem; which requires the deliberate reallocation of resources from low-productivity diminishing returns activity sectors (e.g. agriculture and other extractive activities) to higher productivity, increasing returns activity sectors (especially manufacture). It argues that this change in the dynamics of production structures of these economies will be brought about by technology capability building whose realisation might require a developmental state that drives selective industrial policy. As such, neither a swift shift to finance and services (which in most of developing country economy cases entails a degree of premature deindustrialisation), nor mere clustering and agglomeration as envisaged in the global city and new regionalism literature respectively suffices in such contexts.

Reviewing a select set of policy documents and strategies (of both the Gauteng Provincial Government and of its three metropolitan municipalities) adopted between 2006 and 2011; the research assesses how manufacturing is accounted for in the global city region agenda proposed for the Gauteng urban region, and the implications of such for that region's future economic trajectory. It finds that at inception, the City Region Strategy was premised on an uncritical acceptance of neoliberal globalisation as a given, necessitating the adoption of an entrepreneurial approach to governance, and of finance and services as the most strategic sectors for connectivity and competitiveness in the global economy. These assumptions continue to dominate thinking in later years, despite the fact that manufacturing remains the most critical sector in international trade, output and productivity growth, and gross domestic fixed investment. This even as reference is made to the importance of manufacturing for the Gauteng economy, and interventions such as the automotive industry development in areas like Tshwane are being rolled out.